of Cash Reserve Ratio (CRR) 7.75% of their Demand and Time Liabilities with reserve Bank of India (RBI) as on date.

(b) With effect from the fortnight beginning March 31, 2007 RBI is not paying any interest on the CRR balances.

(c) Average cost of deposits as paid by RRBs for the year 2006-07 works out to an average of 3.9% per annum.

(d) These are regulatory measures of RBI and are not assessed in terms of financial loss. Further, RBI changes CRR in terms of the Monetary Policy.

IT notice to Vodafone

4204. SHRI NAND KISHORE YADAV: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the private telecom service provider, Vodafone, has challenged the show cause notice issued by the Income Tax Department;

(b) if so, the details thereof; and

(c) Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Vodafone Essar Ltd. and Vodafone International Holdings BV, Netherlands have filed Writ Petitions in Hon'ble High Court of Judicature at Bombay against the notices issued by the Income-tax Department under sections 163 and 201 of the Income-tax Act, 1961 respectively. The Income-tax Department is contesting the said Writ Petitions.

Performance based salary package in PSUs

4205. SHRI P.R. RAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Government is planning performance-based salary package for the employees in Public Sector Undertakings (PSUs); and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) There are schemes of Performance Linked Incentive (PLI) for whole-time Directors and CMDs of Insurance Companies, Public Sector Banks and performance related payments for executives of Central Public Sector Enterprises. In respect of executives of Central Public Sector Enterprises, the Government has appointed the Second pay Revision Committee on 30th November, 2006. One of the terms of Reference of the Committee is to examine and make recommendations with respect to the general principles, financial parameters and conditions which should govern the desirability, feasibility and continuation/modification of the Productivity Linked Incentives Scheme and Performance Related Payments. The Committee will make its recommendations to the Government within a period of 18 months.

Collective wealth of rich Indians

4206. SHRI PENUMALLI MADHU: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that the collective wealth of 40 richest Indians went up from 170 billion US $ in 2006 to 351 billion US $ in 2007; and

(b) what steps are being contemplated in the corporate sector to reduce the growing gap between the corporate and medium sized organizations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. The Government has no such information.

(b) The increase in the Direct tax-GDP ratio over the last four years from 3.8% to 6.7% is indicative of the fact that the rich are being taxed more. Further, the corporate sector's contribution to direct tax revenues has also been rising steadily and this points to the fact that the profits in the corporate sector are being taxed properly. These fiscal indicators reflect the steps taken by the Government to reduce the gap.

Increase in per capita income and prices of retail goods

†4207. SHRI JANESHWAR MISHRA:

SHRI BRIJ BHUSHAN TIWARI:

SHRI BHAGWATI SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that as per Government data, per capita income has increased by 22 per cent during the current financial year 2006-07 but prices of retail goods have increased by more than 35 per cent;

(b) if so, whether it is also a fact that this price increase in essential commodities has led to more amount having to be spent than per capita income;

(c) if so, whether Government is going to take any effective steps to check increase in prices; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) As per the Quick Estimates of the Cental Statistical Organisation the per capita income at 1999-2000 prices registered an increase of 8.1 per cent in 2006-07 over 2005-06. The rate of growth of per capita income at current prices during this period was 14.2 per cent. This yields an inflation rate of 5.6 per cent at aggregate level.

The Government has undertaken a number of steps to check inflation. This includes maintaining strict fiscal discipline, rationalisation of excise and import duties on essential commodities, effective supply-demand management of essential commodities through liberal tariff and trade policies and procurement by public agencies. The Reserve Bank of India through appropriate monetary policy measures complements Government's efforts to check inflation.

Investment in urban infrastructure

4208. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the country needs more than Rs. 120,000 crore of investment in urban infrastructure over the next seven years;

(b) if so, Government's response thereto;

(c) the details of steps taken or proposed to be taken for providing adequate fund towards urban infrastructure development;

(d) whether Government's attention have been drawn towards demand of evolved municipal bonds as an option for financing urban infrastructure in the country; and

(e) if so, Government's view and reaction thereto?

† Original notice of the question was received in Hindi.